

SENATE BILL 501

By Lundberg

AN ACT to amend Tennessee Code Annotated, Title 49,  
Chapter 7, relative to the educational services  
plan.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-824, is amended by adding the following as a new subsection:

(d) Notwithstanding any law to the contrary, an educational services plan tuition contract shall not remain or otherwise be in effect after December 31, 2021, regardless of whether the requirements of subsection (b) are met with respect to any particular contract. The state shall provide educational services plan purchasers and beneficiaries with at least sixty (60) days written notice of the termination of the educational services plan prior to November 1, 2021. Notice must be provided using the contact information on file with the plan and indicate that the purchaser may request use of any or all tuition units associated with the purchaser's educational plan tuition contract, request a refund, or request a rollover on or before November 1, 2021. Any rollover requested pursuant to this subsection (d) must be administered in accordance with applicable federal and state laws, rules, and regulations. If the purchaser does not request use of all of the tuition units associated with the purchaser's educational services plan tuition contract, request a refund, or request a rollover on or before November 1, 2021, then a refund must be made to the person designated in the contract to receive the refund in accordance with applicable federal and state laws, rules, and regulations; provided, however, that the amount of the refund must be calculated in accordance with the board's rules for refunds

following the death or permanent disability of a beneficiary. The educational services plan shall not reimburse tuition units after December 31, 2021.

SECTION 2. Tennessee Code Annotated, Section 49-7-824(c), is amended by deleting the subsection and substituting:

(c) After all obligations of this section and the costs of administering the plan are satisfied, the state treasurer may transfer all or a portion of any assets to the board of trustees for the college savings trust fund program to be used for the administration and marketing of the educational investment plan. Any assets remaining after the transfer must be transferred to the general fund.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.